

November 4, 2019

To: Irena Netik – Puget Sound Energy (PSE) Director of Energy Supply Planning and Analytics

Cc: Jay Balasbas – UTC Commissioner

Rachel Brombaugh – King County Executive Energy Policy & Partnerships Specialist

Brad Cebulko – UTC Staff

Carla Colamonici – Regulatory Analyst, Public Counsel

David Danner – Utilities and Transportation (UTC) Commission Chair

Lisa Gafken – Assistant Attorney General, Public Counsel Unit Chief

Steve Johnson – UTC Staff

Ann Rendahl – UTC

Deborah Reynolds – UTC Staff

Kathi Scanlan - UTC Staff

Subject: 2019 IRP Technical Input – Answer Energize Eastside questions

Note: The TAG acknowledges the WUTC Staff petition for an IRP schedule exemption. This technical input is submitted in response to PSE's commitment to "continue to ... maintain and respond to public input". This technical input should be considered an integral part of the collection of 2019 PSE IRP documents. We appreciate PSE's commitment to also include these technical inputs in the 2021 PSE IRP.

Dear Ms. Netik,

We understand that the UTC is considering suspension of PSE's 2019 IRP so more time can be spent developing new rules and plans in response to Washington's Clean Energy Transformation Act (CETA). As members of PSE's Technical Advisory Group, we support the goals of CETA, but we do not wish suspension of the IRP to become an excuse for PSE to ignore Washington Administrative Code and sideline the concerns of TAG members regarding PSE's "Energize Eastside" transmission project.

Our primary concerns are as follows:

1. CETA significantly changes how energy will be generated, transmitted, and conserved in coming years. In its petition, Commission Staff states, "Staff believes that spending resources developing new rules with long-term utilization is a better use of stakeholder resources than spending effort reviewing IRPs based on rules that will expire on December 31, 2020." This effort to improve our energy infrastructure and policies does not give PSE license to skip technical review of major projects like Energize Eastside. That would be contrary to the intent of legislators who passed this significant reform.
2. PSE has never allowed discussion of Energize Eastside (or any transmission project) by the Technical Advisory Group. A TAG meeting to discuss Energize Eastside was originally scheduled to occur in March. In anticipation of legislation, PSE postponed the meeting until August. Then PSE canceled the August meeting, citing concerns over appeals of the land use hearing in Bellevue. We believe these actions violate the spirit of WAC 480-100-238.3.d ("At a minimum,

integrated resource plans must include: ... An assessment of *transmission capability and reliability*") and WAC 480-100-238.5 ("Consultations with commission staff and *public participation are essential* to the development of an effective plan.")

3. PSE has not responded to reasonable questions that the Commission raised about Energize Eastside in the Commission’s comments on PSE’s 2017 IRP. We believe these questions weren’t simply rhetorical but were asked to better understand the need and purpose of the project.

## Winter demand

PSE’s stated need for Energize Eastside is puzzling to TAG members. In its initial document justifying the need, PSE’s consultant displayed the following graph, forecasting that “Corporate System Load” would soon exceed an “Overload Level” during cold winter weather:<sup>1</sup>

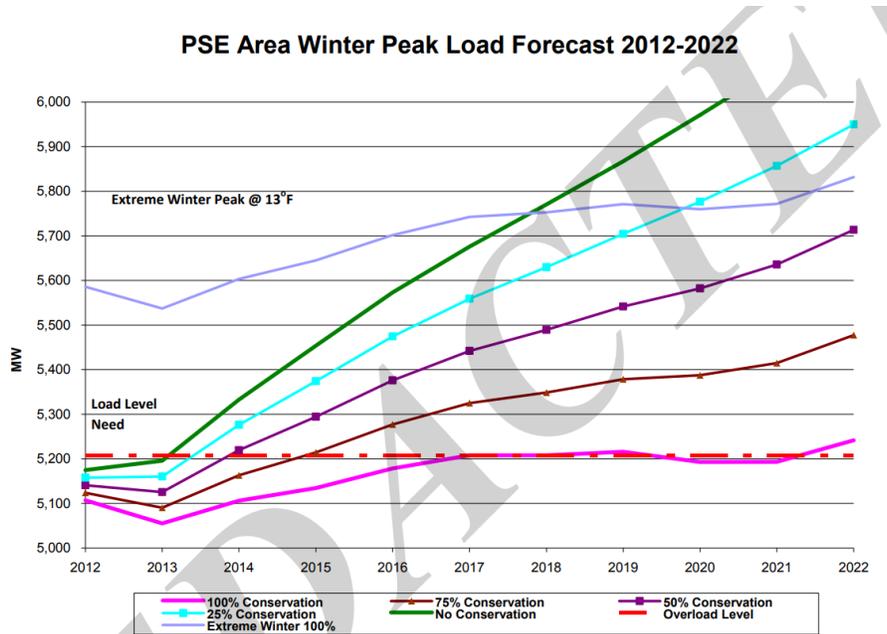
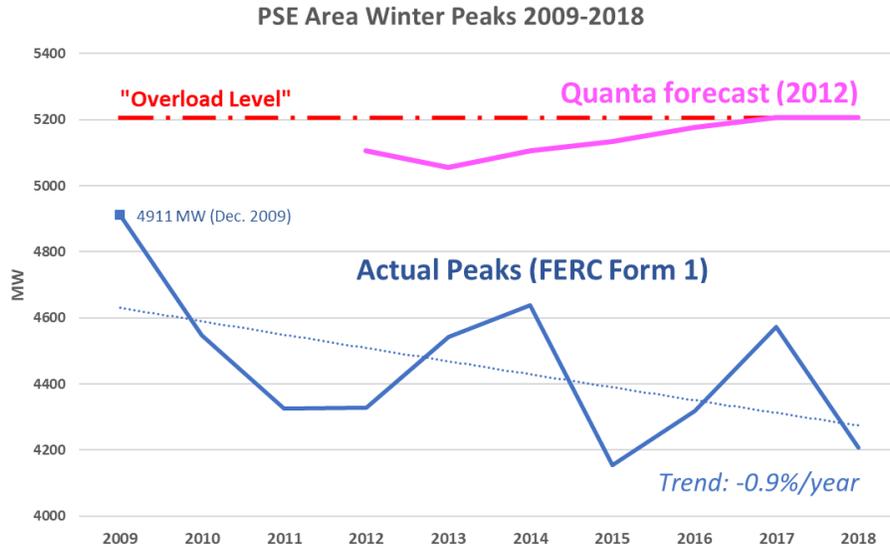


Figure 1-1: Corporate System Load Forecast for Winter 2012 to 2022

The actual system peaks reported by PSE in annual FERC Form 1 filings show a different trend:

1

[http://www.energizeeastsideis.org/uploads/4/7/3/1/47314045/final\\_electrical\\_reliability\\_study\\_phase\\_ii\\_report\\_2012.pdf](http://www.energizeeastsideis.org/uploads/4/7/3/1/47314045/final_electrical_reliability_study_phase_ii_report_2012.pdf), p. 9



## “Really old lines”

As the winter need abated, PSE changed its rationale for the project. In September 2016, PSE published a video featuring PSE vice president Andy Wappler.<sup>2</sup> Mr. Wappler says, “These transmission lines date back to the sixties – over fifty years old! Since then, the Eastside’s population has grown eightfold. While new technologies and significant conservation have reduced energy consumption, these lines need to be replaced.”

TAG members find this argument disingenuous, because population growth does not directly correlate with electricity demand (due to advances in technology and conservation). Also, PSE has been replacing poles and wires that needed maintenance during the last decade. Finally, Mr. Wappler provides no reason why voltage must be doubled when energy consumption is declining.

## Summer demand

According to the consultant’s initial assessment, summer peaks would also begin to strain PSE’s system (we added the actual peaks to provide additional perspective):<sup>3</sup>

<sup>2</sup> <https://youtu.be/ryNAEqSUV8>

<sup>3</sup>

[http://www.energizeeastsideis.org/uploads/4/7/3/1/47314045/final\\_electrical\\_reliability\\_study\\_phase\\_ii\\_report\\_2012.pdf](http://www.energizeeastsideis.org/uploads/4/7/3/1/47314045/final_electrical_reliability_study_phase_ii_report_2012.pdf), p. 10

## PSE Area Summer Peak Load Forecast for 2012-2022

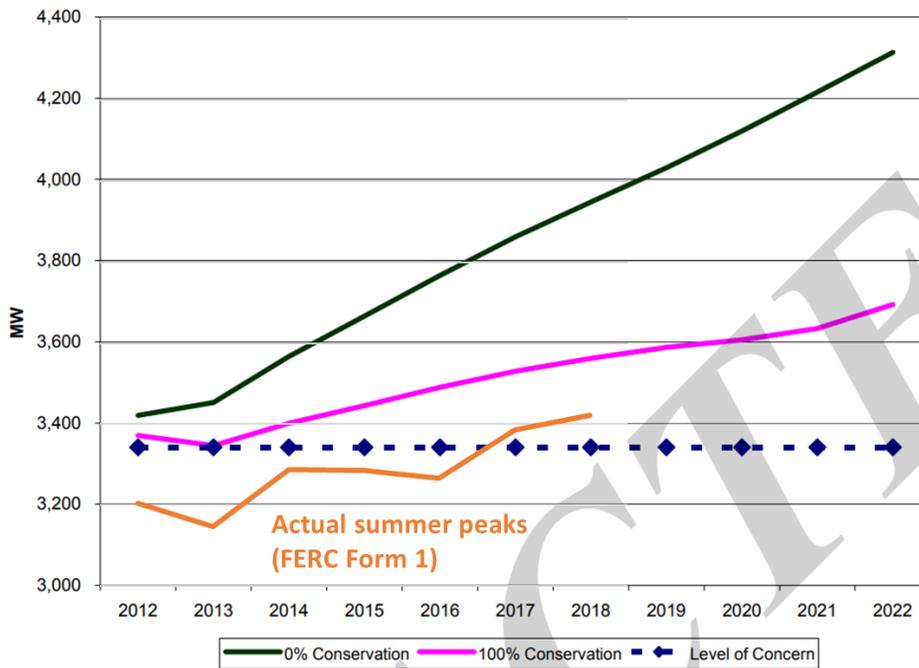


Figure 1-2: Corporate Load Forecast for Summer Peak from 2012 to 2022

Contrary to the winter forecast, summer peaks do appear to be increasing at approximately the rate forecast by PSE’s consultant. However, TAG members do not find the noted “Level of Concern” at 3340 MW comparable to the “Overload Level” in the winter graph at 5205 MW. The 36% difference between these levels cannot be explained by lower efficiency of electrical components in summer heat.

TAG members believe PSE’s “Level of Concern” could only occur if the Eastside grid is serving peak summer demand while simultaneously assisting in the transfer of 2,850 MW between Canada and California. Bellevue’s independent analyst, Utility System Efficiencies, confirmed this fact in its 2015 report: “Reducing the Northern Intertie flow to zero (no transfers to Canada) eliminated all the summer overloads.”<sup>4</sup>

**TAG members are concerned that Energize Eastside no longer appears to be needed to serve winter peak demand. Summer need appears to be justified by regional power transfers that can be curtailed during an N-1-1 outage emergency on the Eastside.**

### Technical review is essential

The Technical Advisory Group performs a crucial role in the planning process for large energy infrastructure projects. This role is not duplicated elsewhere in the process. The UTC does not evaluate

<sup>4</sup> [http://www.energizeeastsideeis.org/uploads/4/7/3/1/47314045/cob\\_independent\\_technical\\_analysis\\_1-3.pdf](http://www.energizeeastsideeis.org/uploads/4/7/3/1/47314045/cob_independent_technical_analysis_1-3.pdf), p. 66

or comment on the technical prudence of projects until after they are built. Cities are not well-equipped to judge the technical merits of a project, because this is not the focus of land use codes nor the expertise of city staff or council members.

The preliminary approval of Energize Eastside by Bellevue’s appointed Hearing Examiner illustrates the pitfalls of asking a land use judge to assess the technical merits of PSE’s project. Before the hearing began, the Examiner rejected a motion by multiple parties to compel PSE to share peak demand data for the Eastside. With no historical data to confirm PSE’s assertion that peak demand has been growing, the Examiner was swayed by PSE’s “common sense” argument. In his decision, the Examiner states,

*Common sense supports [PSE’s] concerns that extreme heat in summer months, or even like that experienced recently during the past month with area temperatures in the high 80s and low 90s, poses a very real risk of failure for a system that has not been upgraded for decades to address increased demand caused by significant growth in the Eastside of King County.*<sup>5</sup>

In this case, “common sense” may lead to an outcome that is contrary to the facts and the interests of ratepayers. By canceling the TAG’s review of Energize Eastside, PSE is limiting full participation of the public in the planning of energy infrastructure, in violation of WAC 480-100-238.5.

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<sup>5</sup> [https://cense.org/wp-content/uploads/2019/06/energize\\_eastside\\_s\\_bell\\_segment\\_decision\\_on\\_cup\\_application\\_190625.pdf](https://cense.org/wp-content/uploads/2019/06/energize_eastside_s_bell_segment_decision_on_cup_application_190625.pdf), p. 12

## Our petition

As TAG members, we formally request that PSE post this letter on the company's 2019 IRP website and provide a written response to the following questions:

1. Will PSE suspend the Energize Eastside project until it can be discussed by the TAG in the context of an Integrated Resource Planning process?
2. Will PSE provide written answers to the UTC's questions about the Energize Eastside project that were included in the Commission's comments on PSE's 2017 IRP?
3. Will PSE acknowledge declining winter peaks as documented by FERC Form 1 filings?

Respectfully submitted:

Don Marsh, CENSE.org

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